

Message Text

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PAGE 01 STATE 054604
ORIGIN EB-08

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DRAFTED BY: EB/TEX:ABERRY

APPROVED BY: EB/TEX:ABERRY

-----097972 030324Z /66

P 030233Z MAR 78

FM SECSTATE WASHDC

INFO CINCPAC HONOLULU HI

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FOR US TEXTILE NEGOTIATING TEAM

FOLLOWING REPEAT HONG KONG 2600 SENT ACTION SECSTATE INFO GENEVA,
LISBON 28 FEB 78

QUOTE LIMITED OFFICIAL USE HONG KONG 2600

DEPT FOR EA/PRCM, EB/TEX

DEPT PASS STR FOR MIKE SMITH

GENEVA PASS PHELAN

E.O. 11652: N/A

TAGS: ETRD, MC, US

SUBJ: TEXTILE AGREEMENT WITH MACAU

1. CONGEN HAS RECEIVED A LETTER FROM DR. CAMPOS, DIRECTOR
OF ECONOMIC DEPARTMENT, GOVERNMENT OF MACAU, REQUESTING
AN INCREASE IN THE LEVEL OF EXPORTS TO THE U.S. FOR
CATEGORIES 445 AND 446 AS WELL AS DENIM JEANS. THE TEXT
OF THE LETTER IS QUOTED BELOW:

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BEGIN TEXT: " AS YOU KNOW FROM AMENDED TEXT, WE AGREED ON
A LEVEL OF 57,124 DOZ. OF CATS. 445 AND 446, EQUIVALENT
TO 850,000 SYDS. THIS WE THOUGHT TO BE A REASONABLE OFFER
AND THEREFORE WE ACCEPTED IT. HOWEVER, THE EXPORTERS
HAVE PUT TO ME THE FOLLOWING PROBLEM:

(A) THEY BASED THEIR 1978 CONTRACTS WITH U.S. FIRMS
ON THE BASIS OF A TOTAL LEVEL OF 533,643 LBS. WHICH IS

EQUIVALENT TO 81,250 DOZENS AT A RATE OF 6.5 LB/DOZ, ACCORDING TO 1977 EXPORT AVERAGE WEIGHT FIGURES FOR CAT. 116/117. (B) THEREFORE, WITH A 1978 LEVEL OF 57,124 DOZ. THEY ARE NOW FACED WITH THE PROBLEM OF REDUCING OR EVEN LOSING ORDERS. THEY ALSO ADD THAT OUR NEGOTIATIONS TOOK PLACE RATHER LATE IN THE PERIOD AND SO THEY ARE NOT ABLE TO ADJUST QUICKLY BEARING IN MIND THAT THESE ITEMS ARE SEASONAL. THIS DEPARTMENT WISHES THEREFORE TO PUT THIS QUESTION FOR CONSIDERATION OF THE U.S. COMMERCE DEPARTMENT DELEGATION, HOPING THAT IT WILL BE POSSIBLE TO MEET OUR REQUEST ON RAISING THE LEVEL FROM 57,124 DOZ. TO 81,250 DOZ FOR CATS. 445 AND 446. AS YOU KNOW, WITH ALL FLEXIBILITY WE CAN ONLY GO AS FAR AS 63,000 DOZENS AND THIS WOULD OF COURSE PREJUDICE OUR 1979 LEVEL. OUR SECOND PROBLEM REGARDS A LOCAL LEVI'S FACTORY AND EXPORTS TO U.S. THEIR HEAD MANAGEMENT HAS SOMEHOW DECIDED TO CHANGE THEIR STRATEGY AND START EXPORTS TO THE U.S. MARKET. AS MUCH AS WE WOULD LIKE TO HELP THEM SOLVE THEIR PROBLEM, THE FACT IS THAT THEY HAVE NO PAST PERFORMANCE FOR THE AMERICAN MARKET AND THEREFORE WE ARE ONLY ABLE TO ALLOCATE THEM QUOTAS THROUGH PART OF OUR 10 PERCENT RESERVE QUOTAS. HOWEVER, THIS APPEARS TO BE FAR FROM THEIR REQUIREMENTS OF 15,000 DOZENS. I WONDER WHAT CAN BE DONE FOR LEVI'S? COULD YOU PLEASE ALSO PASS LIMITED OFFICIAL USE

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THIS ONE ON TO WASHINGTON AND H
R SOON TO BE ABLE TO
GIVE THE PARTIES CONCERNED A SPECIFIC REPLY. "END TEXT

2. CONGEN HAS ADVISED DR. CAMPOS THAT REVISIONS AT THIS TIME WOULD BE DIFFICULT, BUT HAS AGREED TO FORWARD HIS REQUEST TO THE DEPARTMENT AND THE STR. REQUEST REPLY BE FORWARDED THROUGH POST.
SHOESMITH

UNQUOTE CHRISTOPHER

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NNN

Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
Concepts: TEXTILES, IMPORT QUOTAS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: EB/TEX:ABERRY
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Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780096-0995
Format: TEL
From: STATE
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t197803108/aaaadoan.tel
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Litigation Codes:
Litigation History:
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Message ID: ab8524b9-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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Review Content Flags:
Review Date: 05 may 2005
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Review Exemptions: n/a
Review Media Identifier:
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